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Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders September 2007

New Orders

New orders for manufactured durable goods in September decreased \$3.8 billion or 1.7 percent to \$214.5 billion, the U.S. Census Bureau announced today. This was the second consecutive monthly decrease and followed a 5.3 percent August decrease. Excluding transportation, new orders increased 0.3 percent. Excluding defense, new orders increased 0.7 percent.

Transportation equipment, down two consecutive months, had the largest decrease, \$4.2 billion or 6.3 percent to \$62.4 billion. This was led by defense aircraft and parts, which decreased \$2.1 billion.

Shipments

Shipments of manufactured durable goods in September, down three of the last four months, decreased \$4.4 billion or 2.0 percent to \$211.6 billion. This followed a 1.9 percent August decrease.

Transportation equipment, down three of the last four months, had the largest decrease, \$3.0 billion or 5.0 percent to \$56.6 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in September, up twenty-eight of the last twenty-nine months, increased \$8.2 billion or 1.1 percent to \$771.1 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.1 percent August increase.

Transportation equipment, up twenty consecutive months, had the largest increase, \$5.8 billion or 1.3 percent to \$446.8 billion.

Inventories

Inventories of manufactured durable goods in September, up two of the last three months, increased \$1.2 billion or 0.4 percent to \$313.9 billion. This was also at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.1 percent August decrease.

Machinery, up twenty-two of the last twenty-three months, had the largest increase, \$0.4 billion or 0.8 percent to \$51.6 billion.

Capital Goods

Nondefense new orders for capital goods in September increased \$3.1 billion or 4.4 percent to \$74.4 billion. Shipments increased \$0.1 billion or 0.2 percent to \$67.6 billion. Unfilled orders increased \$6.8 billion or 1.6 percent to \$434.3 billion. Inventories increased \$0.3 billion or 0.2 percent to \$122.9 billion.

Defense new orders for capital goods in September decreased \$4.2 billion or 38.7 percent to \$6.6 billion. Shipments decreased \$0.4 billion or 4.6 percent to \$8.0 billion. Unfilled orders decreased \$1.4 billion or 1.0 percent to \$144.9 billion. Inventories increased \$0.3 billion or 1.6 percent to \$17.1 billion.

Revised August Data

Revised seasonally adjusted August figures for all manufacturing industries were: new orders, \$419.7 billion (revised from \$420.7 billion); shipments, \$417.4 billion (revised from \$417.9 billion); unfilled orders, \$762.9 billion (revised from \$763.5 billion); and total inventories, \$516.4 billion (revised from \$516.6 billion).

Figures in text are in seasonally adjusted current dollars. Figures on new and unfilled orders exclude data for semiconductor manufacturing. For data, call (301) 763-4673 or go to <http://www.census.gov/m3>.

Revised and more detailed estimates, plus nondurable goods data, will be published on November 2, 2007, at 10:00 a.m. EDT. The advance report on durable goods for October is scheduled for release on November 28, 2007, at 8:30 a.m. EST. See back page for survey description.

Table 1. Durable Goods Manufacturers' Shipments and New Orders
[Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹					
	Monthly			Percent Change			Monthly			Year to Date		
	Sep 2007 ²	Aug 2007 ¹	Jul 2007	Aug - Sep ²	Jul - Aug ¹	Jun - Jul	Sep 2007 ²	Aug 2007 ¹	Sep 2006	2007	2006	Percent Change 07/06
<u>DURABLE GOODS</u>												
Total:												
Shipments.....	211,581	215,981	220,095	-2.0	-1.9	4.0	218,861	224,672	221,388	1,910,541	1,907,826	0.1
New Orders ⁴	214,531	218,300	230,502	-1.7	-5.3	5.9	217,582	222,166	237,410	1,931,221	1,923,098	0.4
Excluding transportation:												
Shipments.....	154,963	156,381	157,221	-0.9	-0.5	1.8	161,109	160,710	162,550	1,394,368	1,390,973	0.2
New Orders ⁴	152,144	151,742	154,568	0.3	-1.8	3.3	156,172	152,441	157,998	1,356,002	1,360,200	-0.3
Excluding defense:												
Shipments.....	202,016	205,875	209,699	-1.9	-1.8	3.7	208,588	214,674	211,450	1,823,866	1,824,843	-0.1
New Orders ⁴	206,113	204,774	218,390	0.7	-6.2	4.6	210,257	209,780	221,097	1,848,910	1,834,141	0.8
Manufacturing with unfilled orders:												
Shipments.....	148,339	150,650	152,992	-1.5	-1.5	3.1	154,762	155,840	155,887	1,334,851	1,313,214	1.6
New Orders ⁴	156,542	159,237	170,247	-1.7	-6.5	6.6	158,724	159,838	178,448	1,412,355	1,388,426	1.7
Primary metals:												
Shipments.....	20,097	20,082	20,575	0.1	-2.4	1.2	20,008	20,957	20,200	183,723	177,316	3.6
New Orders.....	20,166	19,843	20,398	1.6	-2.7	6.2	19,595	20,722	19,328	182,892	178,114	2.7
Fabricated metal products:												
Shipments.....	25,851	26,484	26,671	-2.4	-0.7	2.6	26,471	28,582	26,350	236,338	231,503	2.1
New Orders.....	25,975	26,726	27,109	-2.8	-1.4	2.5	26,055	28,168	26,438	240,295	237,711	1.1
Machinery:												
Shipments.....	28,608	27,955	28,350	2.3	-1.4	2.3	28,439	27,743	28,005	249,393	247,046	1.0
New Orders.....	30,260	29,014	30,220	4.3	-4.0	5.4	29,548	27,862	28,790	256,919	256,550	0.1
Computers and electronic products:												
Shipments.....	32,153	33,127	32,915	-2.9	0.6	2.6	36,348	32,251	37,054	290,970	291,931	-0.3
New Orders ⁴	27,364	27,756	28,312	-1.4	-2.0	6.1	31,373	25,477	32,534	238,106	240,833	-1.1
Computers and related products:												
Shipments.....	5,462	5,347	4,601	2.2	16.2	-15.1	6,584	5,108	6,387	47,164	50,155	-6.0
New Orders.....	5,635	5,574	4,873	1.1	14.4	-12.1	6,757	5,335	6,493	47,804	49,786	-4.0
Communications equipment:												
Shipments.....	5,757	5,711	5,582	0.8	2.3	2.0	6,882	5,309	6,709	48,587	49,010	-0.9
New Orders.....	5,949	5,966	6,756	-0.3	-11.7	21.5	7,320	4,767	7,644	50,517	51,668	-2.2
Semiconductors:												
Shipments.....	5,253	6,268	6,848	-16.2	-8.5	25.4	5,241	6,504	6,539	56,824	59,940	-5.2
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	10,860	10,955	10,956	-0.9	0.0	1.8	11,634	11,424	11,198	97,675	91,915	6.3
New Orders.....	10,836	10,883	10,686	-0.4	1.8	-2.8	11,210	11,121	11,099	99,907	95,622	4.5
Transportation equipment:												
Shipments.....	56,618	59,600	62,874	-5.0	-5.2	9.9	57,752	63,962	58,838	516,173	516,853	-0.1
New Orders.....	62,387	66,558	75,934	-6.3	-12.3	11.7	61,410	69,725	79,412	575,219	562,898	2.2
Motor vehicles and parts:												
Shipments.....	38,399	40,190	43,182	-4.5	-6.9	10.4	38,101	44,424	39,649	354,483	367,904	-3.6
New Orders.....	38,256	39,404	42,919	-2.9	-8.2	10.3	37,885	43,157	39,823	352,501	369,689	-4.6
Nondefense aircraft and parts:												
Shipments.....	8,766	9,707	9,631	-9.7	0.8	9.5	9,196	9,902	8,748	77,392	65,558	18.1
New Orders.....	15,361	12,999	22,012	18.2	-40.9	13.2	15,587	12,995	21,753	137,554	104,116	32.1
Defense aircraft and parts:												
Shipments.....	3,270	3,447	3,843	-5.1	-10.3	18.2	3,698	3,450	3,661	30,008	28,559	5.1
New Orders.....	3,606	5,750	3,975	-37.3	44.7	25.8	3,227	5,455	2,607	26,910	25,907	3.9
All other durable goods:												
Shipments.....	37,394	37,778	37,754	-1.0	0.1	0.7	38,209	39,753	39,743	336,269	351,262	-4.3
New Orders.....	37,543	37,520	37,843	0.1	-0.9	0.6	38,391	39,091	39,809	337,883	351,370	-3.8
Capital goods: ³												
Shipments.....	75,589	75,847	75,059	-0.3	1.0	1.9	80,176	75,468	79,800	661,633	658,469	0.5
New Orders.....	80,964	81,998	91,376	-1.3	-10.3	8.2	82,738	78,239	102,801	726,872	715,547	1.6
Nondefense capital goods:												
Shipments.....	67,563	67,434	66,376	0.2	1.6	1.0	71,731	67,106	71,616	589,020	588,620	0.1
New Orders.....	74,380	71,263	81,119	4.4	-12.2	4.8	77,316	68,412	87,907	658,836	639,443	3.0
Excluding aircraft:												
Shipments.....	62,083	61,455	60,342	1.0	1.8	0.0	66,141	60,809	65,920	542,109	547,285	-0.9
New Orders.....	62,753	62,523	62,595	0.4	-0.1	0.9	65,793	59,552	69,731	554,702	565,625	-1.9
Defense capital goods:												
Shipments.....	8,026	8,413	8,683	-4.6	-3.1	9.3	8,445	8,362	8,184	72,613	69,849	4.0
New Orders.....	6,584	10,735	10,257	-38.7	4.7	45.7	5,422	9,827	14,894	68,036	76,104	-10.6

NA Not Available ¹ Revised

¹ Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders and total inventories are as of the end of the period and are not adjusted for trading-day or calendar-month variations.

² Based on advance sample. Estimates of manufacturers' shipments, inventories, and orders are subject to survey error and revision. One major component of survey error is nonsampling error, which includes errors of coverage, response and nonreporting. Since the survey panel is not a probability sample, estimates of sampling error cannot be calculated. Further details on survey design, methodology, and data limitations are contained in our most recent annual benchmark publication, Current Industrial Reports: M3-3(06), "Manufacturers' Shipments, Inventories, and Orders: 2001-2006."

³ The Capital Goods Industries include Nondefense: small arms and ordnance; farm machinery and equipment; construction machinery; mining, oil, and gas field machinery; industrial machinery; vending laundry, and other machinery; photographic equipment; metalworking machinery; turbines and generators; other power transmission equipment; pumps and compressors; material handling equipment; all other machinery; electronic computers; computer storage devices; other computer peripheral equipment; communications equipment; search and navigation equipment; electromedical, measuring, and control instruments; electrical equipment; other electrical equipment, appliances, and components; heavy duty trucks; aircraft; railroad rolling stock; ships and boats; office and institutional furniture; and medical equipment and supplies.

Defense Capital Goods include: small arms and ordnance, communications equipment, aircraft; missiles, space vehicles, and parts, ships and boats, and search and navigation equipment

⁴ Data on new and unfilled orders are not available for the semiconductor industry. Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data. Inventories for semiconductor industry data are included in computers and electronic products and total durable goods industries, but are not shown separately.

Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories
[Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹			
	Monthly			Percent Change			Monthly			Percent Change 2007/2006
	Sep 2007 ²	Aug 2007 ^r	Jul 2007	Aug - Sep ²	Jul - Aug ^r	Jun - Jul	Sep 2007 ²	Aug 2007 ^r	Sep 2006	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	771,130	762,927	754,340	1.1	1.1	2.3	759,346	755,384	642,617	18.2
Total Inventories.....	313,868	312,623	312,895	0.4	-0.1	0.1	312,758	315,176	304,143	2.8
Excluding transportation:										
Unfilled Orders ⁴	324,330	321,896	320,267	0.8	0.5	1.3	319,302	318,998	292,619	9.1
Total Inventories.....	235,784	234,954	235,301	0.4	-0.1	0.0	234,252	236,643	230,263	1.7
Excluding defense:										
Unfilled Orders ⁴	612,451	603,101	597,934	1.6	0.9	2.7	605,347	598,437	490,815	23.3
Total Inventories.....	292,619	291,598	291,720	0.4	0.0	0.1	291,316	293,991	282,079	3.3
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	771,130	762,927	754,340	1.1	1.1	2.3	759,346	755,384	642,617	18.2
Total Inventories.....	247,709	246,950	246,711	0.3	0.1	0.2	246,852	248,802	237,328	4.0
Primary metals:										
Unfilled Orders.....	26,599	26,530	26,769	0.3	-0.9	-0.7	25,861	26,274	27,038	-4.4
Total Inventories.....	31,437	31,653	31,850	-0.7	-0.6	-0.2	31,268	31,716	30,685	1.9
Fabricated metal products:										
Unfilled Orders.....	57,292	57,168	56,926	0.2	0.4	0.8	57,082	57,498	54,336	5.1
Total Inventories.....	41,668	41,278	41,481	0.9	-0.5	0.1	41,256	41,173	40,303	2.4
Machinery:										
Unfilled Orders.....	86,615	84,963	83,904	1.9	1.3	2.3	84,414	83,305	71,775	17.6
Total Inventories.....	51,563	51,130	50,956	0.8	0.3	0.6	51,219	51,402	48,279	6.1
Computers and electronic products:										
Unfilled Orders ⁴	115,741	115,277	114,380	0.4	0.8	2.0	114,152	113,886	105,932	7.8
Total Inventories.....	43,232	43,086	42,988	0.3	0.2	-1.1	43,055	44,080	43,409	-0.8
Computers and related products:										
Unfilled Orders.....	4,047	3,874	3,647	4.5	6.2	8.1	4,047	3,874	3,241	24.9
Total Inventories.....	4,446	4,429	4,398	0.4	0.7	-0.9	4,421	4,710	4,590	-3.7
Communications equipment:										
Unfilled Orders.....	35,333	35,141	34,886	0.5	0.7	3.5	34,820	34,382	32,791	6.2
Total Inventories.....	7,361	7,369	7,211	-0.1	2.2	0.3	7,316	7,470	7,470	-2.1
Semiconductors:										
Unfilled Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Unfilled Orders.....	24,282	24,306	24,378	-0.1	-0.3	-1.1	23,968	24,392	21,346	12.3
Total Inventories.....	14,210	14,366	14,444	-1.1	-0.5	0.8	13,855	14,413	13,680	1.3
Transportation equipment:										
Unfilled Orders.....	446,800	441,031	434,073	1.3	1.6	3.1	440,044	436,386	349,998	25.7
Total Inventories.....	78,084	77,669	77,594	0.5	0.1	0.4	78,506	78,533	73,880	6.3
Motor vehicles and parts:										
Unfilled Orders.....	19,471	19,614	20,400	-0.7	-3.9	-1.3	18,985	19,201	19,710	-3.7
Total Inventories.....	24,475	24,384	24,643	0.4	-1.1	0.3	24,518	24,466	25,022	-2.0
Nondefense Aircraft and parts:										
Unfilled Orders.....	281,015	274,420	271,128	2.4	1.2	4.8	278,712	272,321	194,959	43.0
Total Inventories.....	31,346	31,125	30,788	0.7	1.1	0.9	31,582	31,687	25,999	21.5
Defense Aircraft and parts:										
Unfilled Orders.....	43,447	43,111	40,808	0.8	5.6	0.3	41,925	42,396	40,316	4.0
Total Inventories.....	12,851	12,823	12,833	0.2	-0.1	1.0	12,971	12,906	12,868	0.8
All other durable goods:										
Unfilled Orders.....	13,801	13,652	13,910	1.1	-1.9	0.6	13,825	13,643	12,192	13.4
Total Inventories.....	53,674	53,441	53,582	0.4	-0.3	0.1	53,599	53,859	53,907	-0.6
Capital goods: ³										
Unfilled Orders.....	579,153	573,778	567,627	0.9	1.1	3.0	569,129	566,567	468,165	21.6
Total Inventories.....	139,990	139,443	139,149	0.4	0.2	0.5	139,659	141,179	132,552	5.4
Nondefense capital goods:										
Unfilled Orders.....	434,277	427,460	423,631	1.6	0.9	3.6	428,507	422,922	327,961	30.7
Total Inventories.....	122,910	122,636	122,187	0.2	0.4	0.5	122,506	124,295	115,262	6.3
Excluding aircraft:										
Unfilled Orders.....	181,004	180,334	179,266	0.4	0.6	1.3	177,513	177,861	157,397	12.8
Total Inventories.....	98,850	98,668	98,444	0.2	0.2	0.6	98,131	99,903	94,651	3.7
Defense capital goods:										
Unfilled Orders.....	144,876	146,318	143,996	-1.0	1.6	1.1	140,622	143,645	140,204	0.3
Total Inventories.....	17,080	16,807	16,962	1.6	-0.9	0.5	17,153	16,884	17,290	-0.8

See footnotes at end of Table 1

Survey Description

This report is compiled from results of the U.S. Census Bureau's Manufacturers' Shipments, Inventories, and Orders (M3) survey. This survey provides statistics on manufacturers' value of shipments, new orders (net of cancellations), end-of-month order backlog (unfilled orders), end-of-month total inventory (at current cost or market value), and inventories by stage of fabrication (materials and supplies, work-in-process, and finished goods). The M3 includes approximately 4,200 reporting units. Units may be divisions of diversified large companies, large homogenous companies, or single-unit manufacturers in 89 industry categories. Due to the small monthly sample, these 89 categories have been combined into 59 publication levels. The survey methodology assumes that the month-to-month changes of the total operations of those companies in the monthly survey effectively represent the month-to-month movements of all establishments that make up the category. The current coverage levels in the survey show that reported data in the monthly survey represent approximately 62 percent of the shipments estimates at the total manufacturing level. Data published represent manufacturing in a calendar month. The data collection is based on a voluntary survey authorized by Title 13 of the United States Code.

The data presented in this release are based on data obtained from a panel of 4,200 reporting units and provide an indication of the activity within the manufacturing sector. The results differ from what would be obtained from a complete enumeration of all manufacturing companies. In addition, a different panel of 4,200 companies would yield different results. The M3 panel is comprised of companies with \$500 million or more in shipments and a limited number of smaller companies. From a statistical perspective, the panel is not a probability sample; therefore, the sampling errors that are normally provided with sample surveys cannot be measured. Nonsampling errors are attributable to many sources. The use of company or divisional reports to estimate the monthly change for establishments is one source of nonsampling error. The use of primarily large companies to represent the month-to-month movement of all companies is another potential source. Any corrections will be published in the full report. Corrections received after the full report will be released in the next month's advance report. Any revisions made later than two months will be reflected in the annual benchmark publication.

Additional survey documentation can be found on our web site: <http://www.census.gov/m3>.